

## INTERNAL REVENUE SERVICE

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March 24 2003

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Dear [REDACTED]

We are responding to correspondence, submitted on your behalf by [REDACTED], requesting relief in order to establish January 1, 2001, as the effective date for your S corporation election. The information submitted explains that the Internal Revenue Service apparently failed to receive your original election and you have no proof of filing the election in a timely manner. Further, your submission indicates that because you used an incorrect Employer Identification Number on the original election you felt the election could have been applied to that number instead. However, the incorrect EIN does not have an election for the date you had requested.

Revenue Procedure 97-48 (copy enclosed) offers automatic late S corporation relief for certain taxpayers who meet specific eligibility requirements. You could be eligible to use this special relief provision. Please review the enclosed copy of Rev. Proc. 97-48 and, if you are eligible, follow the procedural requirements set forth therein. Otherwise, you should seek relief via the private letter ruling process, the procedures for which are set forth in Revenue Procedure 2003-1 (copy enclosed). Taxpayers must submit a user fee along with their ruling request. The standard user fee for a private letter ruling is \$6,000; however, taxpayers with gross income of less than \$1 million on their tax return for the most recent 12-month taxable period, qualify for a reduced user fee in the amount of \$500.

In addition, the IRS has developed two new CD-ROMs to help educate small business owners on their tax responsibilities: (1) *Introduction to Federal Taxes for Small Business/Self-Employed*; and (2) *A Virtual Small Business Workshop*. These two CD-ROMs are free and can be ordered by calling 1-800-829-3676. The IRS also provides a special website, [www.irs.gov/smallbiz](http://www.irs.gov/smallbiz) which is dedicated to providing information to small business taxpayers.

Please keep this letter with your tax records and feel free to provide a copy of it to your authorized representative. We hope that the above information proves helpful.

Sincerely yours,

**/s/ Dianna K. Miosi**

DIANNA K. MIOSI  
Chief, Branch 1  
Associate Chief Counsel  
(Passthroughs and Special Industries)

Enclosures:

Rev. Proc. 97-48  
Announcement 97-4  
Rev. Proc. 2003-1